



EST. 1987

Rural Issues.  
Rural Voices.  
Rural Solutions.

# 2015 IMPACTS REPORT



## Dear Rural Partners:

I am pleased to bring you our 2015 impact report, which summarizes a body of work that wouldn't be possible without your active engagement and the support of our federal, corporate and philanthropic partners. When we gathered your input in 2013 for a new strategic vision, we recommitted to a Rural Center that serves communities as a true partner working to ensure a prosperous rural future. Here's a quick summary of a year's work we should all be proud of:

123

WORKSHOPS  
AND SEMINARS



14,714

hours of training  
for rural leaders and  
small business owners

139

small business loans  
that totaled more than



\$8.3  
million

1,500 jobs created or  
retained and

\$80 million in private  
loans leveraged

1,117 rural youth  
engaged in the

New  
Generation  
Initiative

ONE MISSION: To serve rural North Carolina

In this report, you will read about a cross section of the businesses, rural leaders and communities our work has supported. These success stories are just the beginning. We hope this report will get you excited and engaged in the work of your Rural Center. We seek your continued support as we look ahead to a bright future for rural North Carolina.

Sincerely,

Patrick N. Woodie  
President



The mission of the N.C. Rural Economic Development Center is to develop, promote, and implement sound economic strategies that improve the quality of life of rural North Carolinians, with a special focus on individuals with low to moderate incomes and communities with limited resources.

# Shifting Demographics

For many years, the Rural Center defined a rural county as one having an average population density below 250 people per square mile. This equated to 85 rural and 15 urban counties.

North Carolina, however, is no longer just a rural or urban state. So we refined the overall county classification to better reflect this reality.

According to the 2010 U.S. Census, five rural counties crossed the threshold of 250 people per square mile: Pitt, Union, Iredell, Lincoln and Henderson. The Rural Center for a time classified these counties as “transitional rural” counties, to reflect their retained rural characteristics, even as they suburbanized.

But as these and other counties continued to transform, it became clear that a new designation would be needed. In 2015, the center adopted a new county classification system.

Moving forward, the center will track and analyze data in three classifications:



## Rural counties

**80 counties** with population densities below 250 people per square mile. These counties are home to a little over 4 million people and 41 percent of the state population. The center's definition of a rural county did not change.



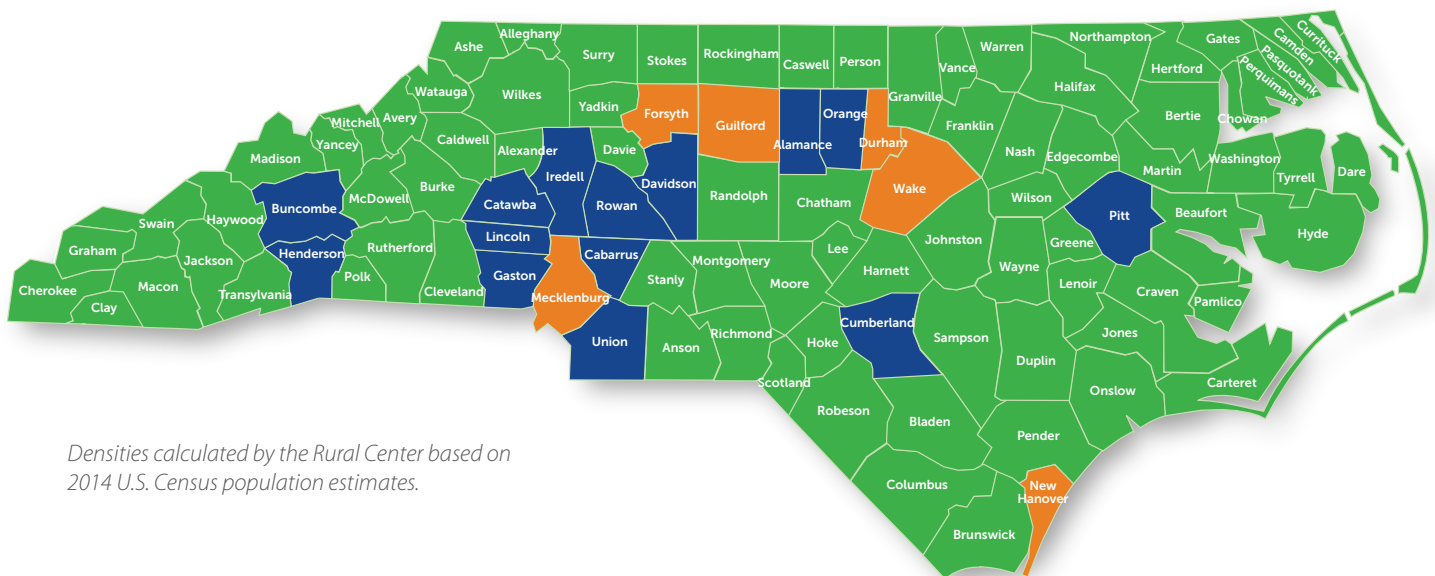
## Regional cities or suburban counties

**14 counties** with average population densities between 250 and 750 people per square mile. This accounts for 2.4 million people, or 25 percent of the state population. The five formerly transitional rural counties join this classification.



## Urban counties

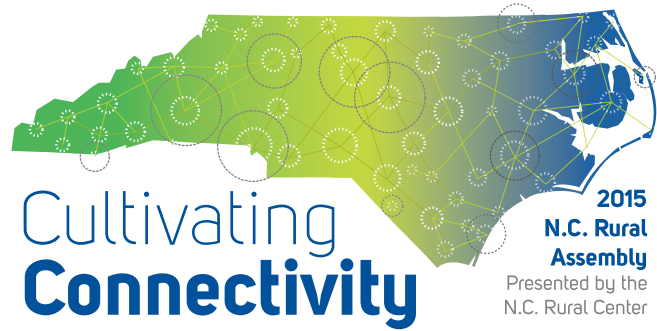
**Six counties** with population densities between 750 and 1,933 people per square mile. This classification includes 3.3 million people and is 34 percent of the total state population.



*Densities calculated by the Rural Center based on 2014 U.S. Census population estimates.*

# 2015 N.C. Rural Assembly

Leveraging Broadband to  
Accelerate Opportunity



In September, more than 400 people gathered in Cary for the 2015 N.C. Rural Assembly, "Cultivating Connectivity: Leveraging Broadband to Accelerate Opportunity." The conference gathered federal, state and private experts to tackle the issues surrounding rural broadband expansion, and to share success stories from North Carolina and beyond. Jonathan Chambers, Chief of the Office of Strategic Planning and Policy Analysis for the Federal Communications Commission, delivered the keynote address.

After the conference, Joe Freddoso, event emcee and co-founder of Mighty River LLC, a broadband consulting firm, recommended five steps that communities can take to help attract fiber service:

- 1 Use the resources offered by the N.C. Office of Digital Infrastructure to map the current state of your community's broadband service.
- 2 Inventory the needs of your community's largest broadband customers and have them join together for a meeting.
- 3 Contact the N.C. Office of Digital Infrastructure and the Federal Broadband USA program to gain an understanding of state and federal funding sources for broadband.
- 4 Share the results of the broadband gathering and make the minutes publicly available. Form a task force that meets regularly to talk about aggregating demand and tracking progress. Map the locations of these customers and chart their projected future demand.
- 5 Don't settle for the status quo. Assess the responses received from service providers with respect to customer demand and the funding information, and if there are still gaps, expand the search for an entity to meet the community's fiber/broadband needs.



## Rural Leader Awards

Honorees were recognized during a banquet the night before the Assembly.

Rural Leader of the Year  
**Howard Jones**  
*OIC of Wilson, Inc.*

Outstanding Young Rural Leader  
**Justin Puckett**  
*Mt. Airy*

Outstanding Microenterprise Loan Partner  
**Wanda Bennett**  
*Morehead City*

Small Town of the Year  
**Siler City**

Community Bank of the Year  
**Entegra Bank**

Community Development  
Financial Institution of the Year  
**Natural Capital Investment Fund**

Outstanding Young Entrepreneur  
**Brittany Eller**  
*Elkin*

# Rural Advocacy

In 2015, the Rural Center Board of Directors adopted a five-step approach for developing a rural advocacy agenda to benefit the entire state of North Carolina.

The majority of the first step, *Identifying the Issues*, took place during a series of six regional meetings that were held across the state over the summer. Participants in Williamston, Franklin, Lenoir, Clinton, Henderson and Troy told us exactly what they thought about the issues facing rural North Carolina, and shared their ideas on what could be done to address them. More than 300 people attended.

From these meetings, six fundamental policy issues emerged:

## WORKFORCE DEVELOPMENT AND EDUCATION

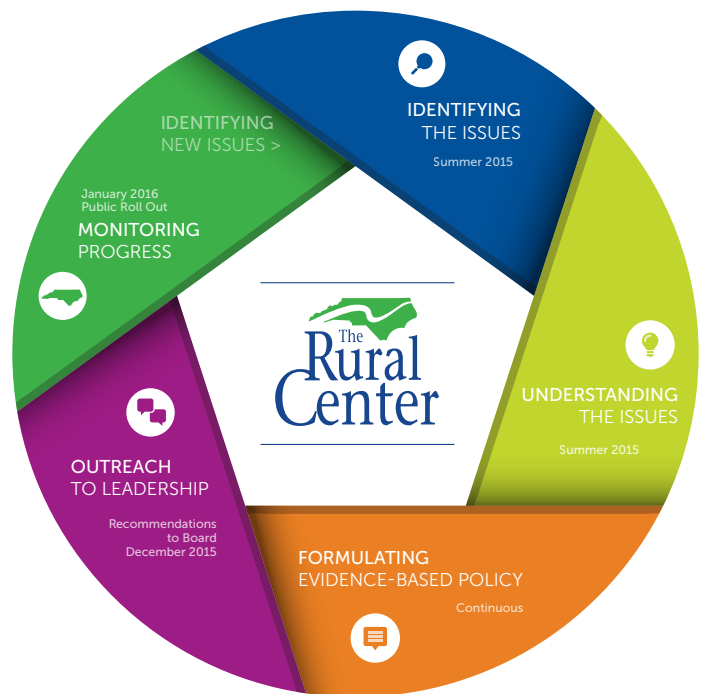
From pre-school through college, and with programs that help re-tool workers throughout their careers, rural North Carolina needs public policy that invests in every student and worker.

## PARTNERSHIP AND COLLABORATION

Rural leaders recognize the vital importance of strong local and regional partnerships and collaboration, but they also believe that public policy has not invested enough in these essential ingredients of economic development.

## RURAL HEALTH

By any measure, rural North Carolinians are less healthy than their urban and suburban counterparts. A more robust health care system is essential to the future of rural North Carolina.



## FUNDING AVAILABILITY AND ACCESSIBILITY

Local leaders understand that each community must do its part in investing in rural towns and counties. Yet they need funding partners at the state, federal and philanthropic levels.

## SMALL BUSINESS AND ENTREPRENEURSHIP

Rural leaders recognize that strong business-retention and entrepreneurship programs are the most sure-fire way to grow jobs, but understand that state incentives to encourage business relocations are important as well.

## INFRASTRUCTURE

Attendees emphasized that rural economic development cannot happen without a strong infrastructure system, including: good roads, clean water, efficient wastewater systems, accessible natural gas, navigable ports, modern rail and robust broadband service.

Throughout the subsequent months, center staff worked through the next four steps of the advocacy approach, combining this information with the latest rural data and research to draft a rural policy agenda that was presented to and approved by the N.C. Rural Center Board of Directors.

That agenda, ***Rural Counts: 10 Strategies for Rural North Carolina's Future***, was unveiled by the center in early 2016.

# Leadership Development

Since its inception, the Rural Center has recognized the vital importance of local leadership to the success of our state's rural areas. The center's flagship leadership program, the Rural Economic Development Institute, has trained more than 1,000 rural leaders. REDI fosters peer collaboration and helps participants hone their personal leadership skills, while they learn new strategies for addressing rural economic development issues.

34 1,072  
2015 REDI Grads TOTAL ALUMNI

45 700  
REDI Alumni participated in focus groups in 2015 ALUMNI ENGAGED IN NETWORKING ACTIVITIES SINCE 2010

13 18+  
People received disaster relief training in 2015 TOTAL HOURS SINCE 2014



2,992 47,168  
2015 training hours TOTAL HOURS SINCE 1989

30%  
of REDI students received financial assistance SINCE 2010



## 2015 REDI Graduate

CHRISTINA PIARD, Staff member, Office of U.S. Rep. G.K. Butterfield

Christina is Congressman Butterfield's community engagement coordinator. She coordinates outreach plans, works to increase the congressman's visibility and helps identify events for his involvement. REDI helped her better understand and utilize her present leadership abilities, while providing her with new skills to implement, particularly in the areas of rural economic development.

**"I am so thankful for my experience in REDI, because I was able to put my leadership training to work immediately. REDI helped me hone in on the real opportunities in Eastern North Carolina and broadened my network of champions within the communities Congressman Butterfield serves."**

# New Generation Leaders

New Generation Leaders encourages teams of young adults to tackle community improvement projects of their own creation. Aided by grants, young people ages 16 to 30 work with established leadership to design and implement a project, immersing themselves in the community's history, culture and economy. The program is designed to identify and nurture emerging young leaders and encourage them to have a voice in the community's civic and economic affairs.



**800**  
youth engaged  
IN THEIR COMMUNITIES



**New  
Generation  
Leaders**

SINCE 2012

**24**  
youth-led  
community  
projects



**21,600**  
TOTAL HOURS OF  
COMMUNITY SERVICE



**\$92,000** LOCAL INVESTMENT

## Code READ

### United Teens in Action, Wilkes County Schools

The United Teens in Action leadership group worked with Wilkes County Schools to secure a Rural Center-supported New Generations Leaders grant.

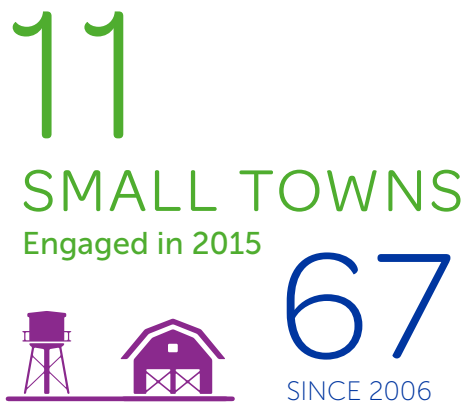
The group of high school juniors identified two problems, illiteracy and obesity, that they decided to tackle in a novel way. The group used its \$20,000 grant to purchase 78 recumbent bicycles and mats, together with age-appropriate books, to create Code READ classrooms in three elementary schools. The rooms are designed to encourage reading for fun, while making it possible to exercise at the same time.

**“These students are future leaders. They have the tools,”** says Dennis Huggins, the school district’s director of development. **“They’re looking at what they can do to make Wilkes County better.”**



# Community Engagement

Our community engagement work includes leadership development at the local and regional level, community coaching and strategic planning. In addition, the center delivers in-depth workshops and training opportunities to help communities overcome the challenges of economic transitions and to promote sustained economic and community development. In 2015, the center initiated new collaborative partnerships in the areas of philanthropy, faith-based economic development, rural health, construction, infrastructure and disaster resiliency.



## Small Town Highlight Rutherfordton, Rutherford County

Rutherfordton is one of the center's 67 Small Town Economic Prosperity (STEP) communities. Since 2012, elected and citizen leaders have worked together to implement a long-term strategic plan to attract more visitors, potential residents and businesses to their town. Through their cooperative efforts, they are well on their way to reaching their goals.

**"After three long years of working on STEP, I can truly say I am proud of the projects our citizens have completed and their dedication to making this a great place to live and work,"** said Cindy Adair, director of Rutherford Revitalization. **"We will continue with the work this team has started!"**

# Entrepreneurship and Microenterprise

Homegrown businesses represent an important way to build and sustain rural economies. The center's entrepreneurship program works with people who are trying to start or expand a small business, by providing free one-on-one business coaching and access to loan capital through our Microenterprise Loan Program. The center's New Generation Ventures program supports 18-to-30-year-old entrepreneurs with business coaching, scholarships for business training and access to capital.

600

ATTENDEES



45

SEMINARS

\$13,635

AVERAGE LOAN

\$9.6 million loaned since 1991

200 Clients assisted for  
1,110 HOURS



200  
CLIENTS

WOMEN



53%

STARTUPS



30%



57%

MINORITIES

**New  
Generation  
Ventures**

2012-2015

371  
Scholarships

145  
Jobs created

59 Business startups

Cost per job:

\$2,360

## Microenterprise Loan Program Clients

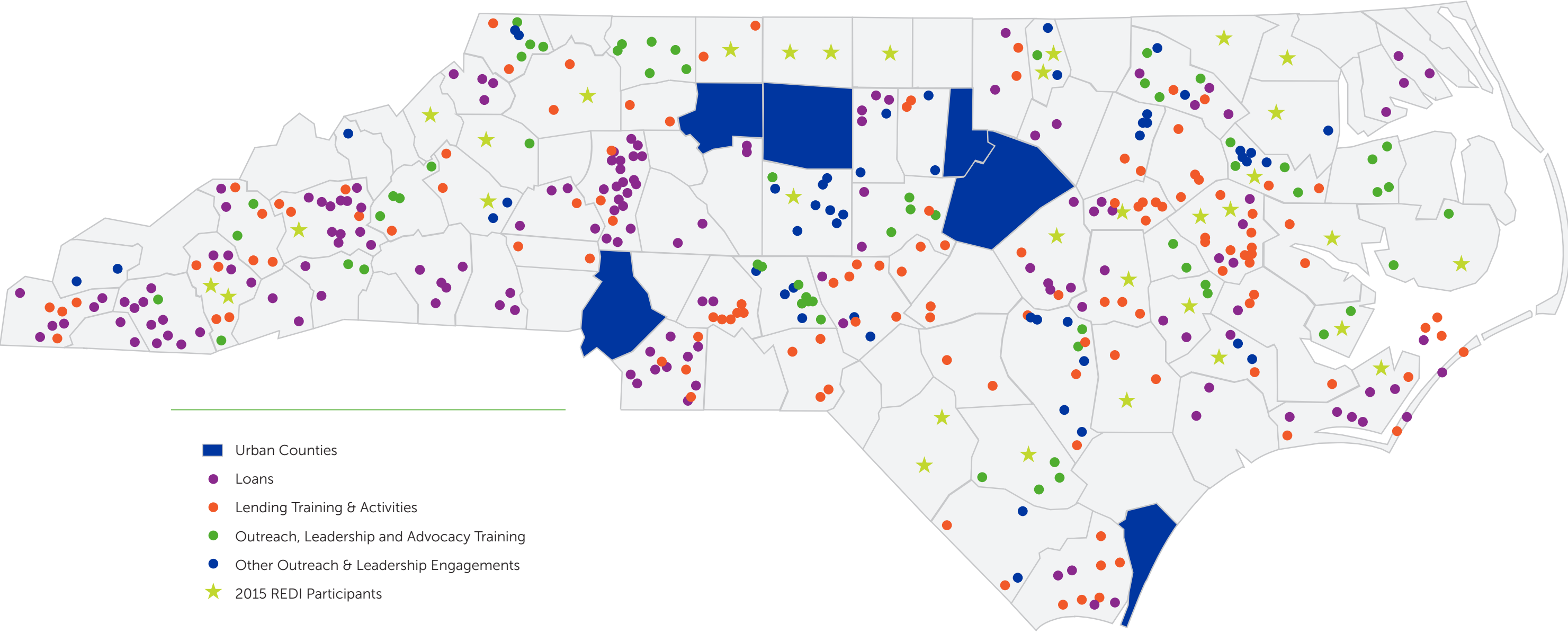
### JB Car Sales

Robert Booth and Corey Jones had a dream to open a used car dealership in their Martin County hometown of Oak City. Both of their fathers were mechanics, so they each had the passion for repairing cars and wanted to create a business to sell them. New Generation Ventures provided Corey and Robert with training for business planning, website development and bookkeeping. Working in partnership with the Small Business Center at Martin Community College, the Rural Center has made two loans to JB Car Sales, so they could buy a truck and a trailer. The loans have assisted Robert in establishing credit for the first time.



# Reaching across Rural North Carolina

2015 IMPACTS from the mountains to the coast



# Small Business Credit Initiative

The State Small Business Credit Initiative was created by the Small Business Jobs Act of 2010. North Carolina was allocated \$46.1 million to support private sector capital formation in small businesses. On behalf of the N.C. Department of Commerce, the N.C. Rural Center developed, introduced, and manages three programs supporting North Carolina's small businesses:

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**LPP** The Loan Participation Program works with banks purchasing participations in term loans made to North Carolina small businesses,

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**CAP** The Capital Access Program provides additional reserves to banks for business loans that they enroll, and

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**FOF** The Fund of Funds Program supports investments in early-stage high-growth companies through four professional investment management companies.

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**31** **LENDERS** participate in the programs including three recognized among the top 20 SSBCI banks 



## Community Bank of the Year Building Rural Businesses

Founded in 1922, Entegra Bank has grown to 14 full-service branches in western North Carolina. The Loan Participation Program has proven to be a great fit for Entegra's small business loans. To date, the Rural Center has participated in 38 Entegra loans totaling \$22 million. Of those, 89 percent are in rural North Carolina counties. For its efforts, Entegra was named the Rural Center's 2015 Community Bank of the Year.

**"Entegra Bank is proud to offer small business loans and the Rural Center's Loan Participation Program furthers our reach to qualifying customers,"** said Bobby Sanders, Executive Vice President & Chief Credit Administration Officer.

**"Our participation in the program has been a great success and we thank the Rural Center for enhancing our ability to serve our communities."**

## Small Business Credit Initiative

Loans and investments are available in all 100 North Carolina counties. Since the program's inception, 42 percent of the loans have been in rural counties. The three funding programs have been designed to be evergreen, and loan repayments and gains on investments are recycled to support additional small business capital needs.

118 LOANS/INVESTMENTS FOR  
\$8 MILLION  
IN 2015



613   
LOANS/  
INVESTMENTS  
SINCE 2011

\$460 million in loans  
or investments  
10x PRIVATE  
LEVERAGE  
SINCE 2012



in country  
for funds  
deployed

1,500 Jobs created/retained in 2015

10,700 JOBS CREATED/RETAINED  
SINCE 2011

### Loan Participation Program Client ANDREW HUSCUSSON, Macon County

After working in Franklin for a number of years in the heating and air conditioning business, Andrew Huscusson built a reputation as one the area's best technicians. All the while, he dreamed of starting his own business.

When Franklin Sheet Metal Shop Inc. came up for sale, he jumped at the opportunity. With the help of a loan from Entegra Bank — which the Rural Center helped finance — Huscusson was able to purchase the shop.

Now he's hard at work as the owner of his very own heating and air conditioning company. It was not a move for the faint of heart, but Huscusson isn't afraid to take on big challenges, and he proved it by staying in the area.



## Board of Directors



Back row, left to right: **Chris Parrish** Smithfield, **Patrick Woodie** Piney Creek, **Ted Alexander** Shelby, **Linda Weiner** Raleigh, **Alan Rice** Yadkinville, **Grant Godwin** Raleigh, **Joe Stanley** Shallotte, **Leslie Boney** Chapel Hill, **Jim Rose** Raleigh, **Cleveland Simpson** Rocky Point, **Lige Daughtridge** Rocky Mount.

Front row, left to right: **John Nelms** Raleigh, **Nelle Hotchkiss** Raleigh, **Juencio Rocha-Peralta** Greenville, **Rex L. Baker** King, **Alice Schenall** Rocky Mount, **Charles Brown** Albemarle, **Brian Crutchfield** Boone, **Jennifer Tolle** Whiteside Raleigh, **Lenna Hobson** Boonville, **Patricia Ferguson** Colerain.

Not pictured: **Andy Anderson** Whiteville, **Bill Gibson** Sylva, **CeCe Higgs** Waynesville, **Lenora Jarvis-Mackey** Elizabeth City, **Larry Wooten** Raleigh.

## Staff



Back row, left to right: **Matt Ehlers** Director of Communications, **Damion Smokes** Commercial Loan Process Manager, **Barry Ryan** Senior Director of Programs, **Brooks Batchelor** Assistant Director of the Small Business Credit Initiative, **Derek Williams** Entrepreneurship Program Manager, **Alfred Garshong Jr.** Research/GIS Associate.

Middle row, left to right: **Jason Gray** Senior Fellow Research and Policy, **Tom Wall** Director of the Small Business Credit Initiative, **Patrick Woodie** President, **Zanna Swann** Director of Development, **Amanda Sorrells** Director of Entrepreneurship, **Mary Kay Clifford** Director of Finance and Administration, **Jennifer McEachran** Senior Accountant.

Front row, left to right: **Chilton Rogers** Director of Community Engagement, **Cathy Bock** Assistant Director of Finance and Administration, **Misty Herget** Director of Leadership, **Tracie McIver** Assistant to the President, **Patty Eller** Office Manager, **Nora Mayo** Receptionist.

# Supporters

As a 501(c)(3) organization, the N.C. Rural Center relies on contributions and grants to provide programs and services in North Carolina's 80 rural counties. We are grateful for the support of the following organizations in 2015:

**Appalachian Regional Commission**  
**AT&T North Carolina**  
**BB&T**  
**Blue Ridge National Heritage Area**  
**Brooks, Pierce, McLendon, Humphrey & Leonard**  
**CenturyLink**  
**Childtrust Foundation**  
**ECC Technologies, Inc.**  
**Entegra Bank**  
**Golden Corral Foundation**  
**Indiana Rural Development Council, Inc.**  
**Mighty River, LLC**  
**Mt. Olive Pickles**  
**N.C. Association of County Commissioners**  
**N.C. Community Colleges Foundation**  
**N.C. Electric Cooperatives**  
**N.C. Farm Bureau Federation**  
**Partnership for the Sounds**  
**RagApple Lassie Vineyards**  
**Southern Bank Foundation**  
**Targeted Persuasion**  
**U.S. Economic Development Administration**  
**U.S. Department of the Treasury**  
**USDA Rural Development**  
**Wells Fargo Bank**  
**Wyrick, Robbins, Yates & Ponton**  
**Yadkin Bank**

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## **2015 Rural Center Supporter Spotlight: North Carolina's Electric Cooperatives**

**NELLE HOTCHKISS, Senior Vice President of Corporate Relations**

"Rural North Carolina continues to face economic, telecommunications, infrastructure and workforce development challenges. The N.C. Rural Center provides solid data on trends and drivers for analysis and advocacy to create positive change. The organization's focus on economic development, leadership, and advocacy clearly and directly aligns with our corporate strategy."



Rural Issues.  
Rural Voices.  
Rural Solutions.



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